

Block 3B to be owned by FRIT, and (iii) a residential condominium unit consisting of all of the for-sale residential dwellings on the upper levels of the buildings within Block 3B to be owned by the co-developer. The co-developer will subject its master condominium unit to a separate condominium regime in order to sell individual for-sale residential condominium units.

- Block 4 will be subjected to a separate master building condominium regime, that will initially consist of four condominium units: (i) a public parking garage condominium unit to be owned by the City, (ii) a retail condominium unit consisting of all of the retail areas on the ground floor of the buildings within Block 4 to be owned by FRIT, (iii) a residential condominium unit consisting of all of the rental residential dwellings on the upper levels of the buildings within Block 4 to be owned by the co-developer, and (iv) a private parking garage condominium unit consisting of the "Block 4 Purchased Parking Spaces" to be owned by the co-developer. The co-developer may elect to establish a separate "shelf" rental condominium regime within its residential condominium unit.
- Block 5 will be subjected to a separate master building condominium regime, that will initially consist of three condominium units: (i) a public parking garage condominium unit to be owned by the City, (ii) a retail condominium unit consisting of all of the retail areas on the ground floor of the buildings within Block 5 to be owned by FRIT, and (iii) a residential condominium unit consisting of all of the for-sale residential dwellings on the upper levels of the buildings within Block 5 and the "Block 5 Purchased Parking Spaces" to be owned by the co-developer. The co-developer will subject its master condominium unit(s) to a separate condominium regime in order to sell individual for-sale residential condominium units.

Condominium Use Restrictions:

The condominium regimes will be subject to the following use restrictions:

Restrictions. Use of the condominium units within each of the condominium regimes ("Units") and the related limited common elements that are to be used in connection with specified Units ("Limited Common Elements") and general common elements that are to be used in connection with all Units ("General Common Elements") (the Limited Common Elements and the General Common Elements are hereinafter together referred to as the "Common Elements") shall be subject to the following:

Nothing shall be done or kept within the Units or the Common Elements by any owner of a Unit (each, a "Unit Owner") that will increase the rate of insurance payable by the board of directors for such condominium regime ("Board of Directors"), unless the Unit Owner causing such increase pays the total increase in premiums attributable to such use or action. No Unit Owner shall knowingly (based upon its actual

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knowledge) permit anything to be done or kept within the Units or the Common Elements that will result in the cancellation of insurance for all or any portion of the real property on which the condominium regime is located ("Property") or that would be in violation of any applicable law, rule, statute, code, act, ordinance, permit or license (collectively, the "Applicable Law"). No physical waste will be committed on the Common Elements.

No use shall be made of any portion of the Units owned by the co-developer, or its affiliates (each, a "Residential Unit"), the Units owned by FRIT (each, a "Commercial Unit") or the Common Elements that is not comparable and in keeping with a first class standard; provided, however, that no use shall be made to any portion of the Units owned by the City of Rockville (each, a "Parking Unit") that is not comparable with the use of other governmentally owned parking garages in Montgomery County, however, that in all circumstances, the Unit Owner of the Parking Units shall be expressly obligated to comply with the rules and regulations that are applicable to a Parking Unit. To the extent reasonably possible, no use shall be made of any portion of the Units or Common Elements that materially and adversely impedes the conduct of the business of any Unit Owner or its tenants, subtenants, licensees, employees, contractors and agents or the occupancy, use or enjoyment of any Unit for the purposes for which such Unit is intended as set forth in the declaration, bylaws, condominium plats and rules and regulations created and established for each condominium regime (collectively, the "Condominium Documents"). Applicable Law relating to any portion of the Units or the Common Elements shall be complied with by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the responsibility for such portion of the Units or the Common Elements.

Except as otherwise provided in the Condominium Documents, no Unit Owner shall unreasonably obstruct any of the General Common Elements and no Unit Owner shall place or cause or permit anything to be placed on or in any of the General Common Elements without the approval of the Board of Directors, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that, except as otherwise provided in the Condominium Documents, in no event shall any obstructions within the General Common Elements be permitted that would materially interfere with access to or visibility of any Unit. No Unit Owner shall unreasonably obstruct a Limited Common Element that is reserved for the exclusive use of another Unit Owner. Except as otherwise provided elsewhere in the Condominium Documents, nothing shall be altered, constructed in, or removed from the General Common Elements except with the prior consent of the members of the Board of Directors, which approval shall not be unreasonably withheld, conditioned, or delayed. Nothing shall be altered or constructed in or removed from a Limited Common Element, except with the prior written

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consent of the Unit Owner(s) of the Unit(s) having the exclusive use thereof.

Except as provided in instruments recorded among the land records of Montgomery County, Maryland ("Land Records") to which the Property is subject (including, but not limited to, the Condominium Documents), the Common Elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Units.

Restrictions on Use of the Units.

General Restrictions. The Units shall be operated in accordance with the Condominium Documents and Applicable Law. Unless the Board of Directors otherwise agree, a Parking Unit shall always be utilized for parking and related purposes, a Commercial Unit shall always be used for retail and similar commercial purposes and a Residential Unit shall always be used for residential and related purposes. Without limiting the foregoing, unless otherwise agreed by the Board of Directors, the Unit Owner of a Parking Unit shall use commercially reasonable efforts to restrict the use of a Parking Unit by persons other than the Unit Owner of a Residential Unit and the Unit Owner of a Commercial Unit and their respective agents, employees, tenants, subtenants, licensees, customers and invitees (together, the "Parking Beneficiaries") to the extent reasonably necessary to provide and maintain adequate parking for the use and benefit of the Parking Beneficiaries. The Unit Owner of the Parking Units shall make available for the general public at all times two hundred twenty-six (226) parking spaces.

Specific Restrictions. In addition to the restrictions contained in the Rules, no Unit shall be utilized for any of the following uses unless otherwise expressly permitted in the Condominium Documents or by the Board of Directors:

Any use that produces or is accompanied by any unusual fire, explosive or other damaging or dangerous hazard (including the storage, display or sale of explosives or fireworks, other than de minimus amounts of fireworks for sale to consumers to the extent permitted by Applicable Law).

Any shooting gallery or gun range (other than an electronic or arcade type shooting gallery or gun range).

Any operation primarily used as a storage warehouse and any assembling, manufacturing, refining, smelting, industrial, agricultural, drilling or mining operation (except that incidental storage use ancillary to residential use by the Unit Owner of a Residential Unit shall be permitted).

Any automobile body shop or repair operation, including automobile servicing or repair work (e.g., oil change, tire change, body or paint shop, tune-up, brake or muffler service).

Gasoline or automobile service stations.

Any residential use by the Unit Owner of a Commercial Unit or the Unit Owner of a Parking Unit, including but not limited to, single family dwellings, townhouses, condominiums, other multi-family units of other forms of living quarters, sleeping apartments or lodging rooms. This use restriction, however, does not apply to the Residential Units.

Any veterinarian, veterinary hospital or animal raising facilities (except that this prohibition shall not prohibit pet shops).

Any mortuary or funeral home.

Any facility or establishment primarily selling or exhibiting sexually explicit, or pornographic materials or a "head shop" (or any other type of establishment for the sale of illegal drugs and/or drug-related paraphernalia or equipment) or featuring strip tease acts or nude dancing.

Any nightclubs, discotheque, dance hall, or bar whose sales of food do not constitute at least ten percent (10%) of its gross sales.

Any on-site commercial laundry, dry cleaning plant or Laundromat (however, any retail dry cleaning drop off and pick up store is permitted).

Any temporary or permanent storage of any "hazardous material" as that term may now or hereafter be defined by Applicable Law; provided, however, that this prohibition shall not apply to (i) supplies for cleaning and maintenance in commercially reasonable amounts required for use in the ordinary course of business, provided such items are incidental to the use of a Unit and are stored and used in compliance with Applicable Law, (ii) standard office supplies in commercially reasonable amounts required for use in the ordinary course of business, provided such items are incidental to the use of the premises and are stored and used in compliance with Applicable Law, or (iii) retail tenants' inventory generally held for resale in typical first class retail projects and not prohibited elsewhere in the Condominium Documents, provided such inventory is stored and sold in compliance with Applicable Law.

Any sales or leasing of new or used vehicles, including automobiles, trucks recreation vehicles or mobile homes (including used car lots), or any sales or leasing of new or used vehicles, including automobiles, trucks, recreation vehicles, or mobile homes, within any portion of a Unit that is outside any leasable space within the Buildings of such Unit.

Any carnival, flea market, pawn shop, or car wash.

Any gambling facility or operation, including, but not limited to, off-track or sports betting parlor, table games such as black-jack or poker, or similar activities or a bingo hall; provided, however, that this prohibition shall not apply to slot machines, video poker, video blackjack or similar devices, Keno or the sale of governmental sponsored lottery tickets that are incidental to the business operation being conducted by the occupant of the Commercial Unit.

Any "amusement parlor" consisting primarily of pin ball, video or similar arcade games in excess of 1,500 square feet.

Residential Restriction. A Residential Unit shall only be used for residential purposes in a first class manner and, except as may be expressly required by Applicable Law, no part of a Residential Unit shall be used for the purpose of an apartment hotel, hotel, time share development, assisted living residence, nursing home, homeless shelter, subsidized housing or similar moderate to low income housing, *provided, however*, that a Residential Unit may be used for corporate rentals (i.e., leases to a party who is leasing a unit for corporate housing purposes) to tenants, *provided, further*, that such corporate rentals shall not exceed twenty percent (20%) of all of the dwelling units within a Residential Unit.

Commercial Restriction. A Commercial Unit shall only be used for commercial purposes in a first class manner.

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EXHIBIT P
ACCEPTED ALTERNATES

1238459

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Exhibit P
Rockville Town Square
Block 5
Value Engineering Alternates Incorporated into GMP

Description	Garage	Accepted
05B - Miscellaneous Metals Delete corner guards	\$ (9,200)	\$ (9,200)
09A - Drywall Delete the garage ACT and bulkhead	\$ (151,800)	\$ (151,800)
Add spray on insulation	\$ 70,000	\$ 70,000
14A - Elevators Volume discount for award of all blocks	\$ (5,750)	\$ (5,750)
15C - Fire Protection Delete dry pendants in garage for ACT ceiling	\$ (80,500)	\$ (80,500)
Value Engineering Incorporated into GMP	\$ (177,250)	\$ (177,250)

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EXHIBIT Q

[NOT USED]

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Deleted: UNIT PRICES

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EXHIBIT R
CONTRACTOR'S CLARIFICATIONS

1238459

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Exhibit R
Rockville Town Square
Block 5 Garage GMP
Assumptions and Clarifications

A GENERAL

- 1 This proposal is based on the following contract documents:
 - a Block 5 Bid Set documents dated 9/9/04 prepared by WDG Architecture. In general, the drawing notes are included to the extent that they describe standard construction practices. Proprietary materials and details that are beyond standard construction practices or are outdated are not necessarily included. Assumptions were made due to conflicting notes and/or details and pricing is based on Whiting-Turner's understanding of the scope.
 - b Block 5 Addendum #1 documents prepared by WDG Architecture dated 10/8/04
 - c Block 5 specifications dated 9/9/04 prepared by WDG Architecture. In general, the specification requirements are included to the extent that they describe standard construction practices. Proprietary materials and means, methods, or standards that are beyond standard construction practices or are outdated, are not necessarily included. Unobtainable or non-definable standards described using words or phrases such as perfectly, completely, permanently, per architect's discretion or satisfaction, highest standard of workmanship, maximum quality control, etc. are not included.
 - d Geotechnical Report for Rockville Town Center Phase I dated 4/29/03
 - e Extent of Sheet piling and Shoring Plan prepared by Whiting-Turner dated 5/21/04
- 2 Due to the number of changes to the construction scope as a result of value engineering, materials, and construction details, the specific requirements listed in the Product Substitution Procedures, 01630, are not included.
- 3 This proposal does not include:
 - a Site, building, or health department permit fees, local assessment fees, or impact fees.
 - b Environmental Permits
 - c Hazardous substance abatement or removal required for building demolition
 - d Removal, relocation, or repair of existing utilities, equipment, or structures not shown on the drawings.
 - e Independent testing and inspections.
 - f Costs or delays due to abnormal weather.
 - g Utility company charges or fees except for our temporary service.
 - h Dewatering other than for normal rainfall.
 - i Costs due to design refinement, errors, or conflicts with code requirements.
 - j Rock or unsuitable soil removal or replacement.
 - k Final property survey. However, building corner survey for construction layout is included.
 - l Abnormal snow removal that would prevent construction activities to continue.
 - m Cleaning of existing utilities
 - n Provision of construction facilities as listed in specification 01520 paragraph 1.2.A and 1.2.B
 - o Exclusively domestic materials.

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Exhibit R
Rockville Town Square
Block 5 Garage GMP
Assumptions and Clarifications

- p Spray applied fireproofing. There is a specification section for fireproofing but WDG has stated that none is required.

4 Our proposal includes the following allowances:

Allowances Included in the Cost of Work

Block 5 Garage

a. 07D – Expansion Joints \$ 57,500

Owner Stipulated Allowances

a Public Corridor Fit-Out Allowance \$110,000

b Lighting at Garage Entries \$ 4,000

c Parking Access Systems \$ 15,000

d Public Parking Meters \$ 52,000

5 Allowances within the General Conditions for the entire project are as follows:

a Guard Service \$ 150,000

b Temporary Roads \$ 50,000

c Street Cleaning \$ 50,000

d Drawing Reproduction \$ 75,000

6 We have not received the Exhibits regarding zoning conditions referred to in the contract, and therefore do not include any special provisions regarding it.

7 As instructed, we have included builder's risk insurance, payment and performance bond, and general liability insurance.

8 The acoustical recommendations from Polysonics are not shown on the Addenda 1 drawings and are not included.

9 The trade contractor's standard one year warranties for material and workmanship are included in the pricing.

10 In general, licensed professionals are registered in the jurisdiction having authority. This may not be the City of Rockville.

11 The scope includes value engineering as itemized on the attached list. Certain items will require verification upon issuance of respective design modifications.

12 Costs for recommendations made by the forensic architect are not included in the GMP.

13 This proposal is based on the authorization to award major subcontracts by no later than 1/20/05 to avoid anticipated price escalations. Additionally, escalation costs for specific items are included in the GMP as follows:

a Concrete and rebar escalation is included through April 1, 2005

b Hambro material escalation is included through September 30, 2005

c Cold Formed Metal Framing is included through August 30, 2006

Exhibit R
Rockville Town Square
Block 5 Garage GMP
Assumptions and Clarifications

- 16 The Owner has elected to incorporate certain value engineering into the design that is not reflected on the Contract Documents. The Owner shall coordinate with the Architect to incorporate all value engineering into the conformed construction documents within a reasonable period of time in order to maintain the contract schedule. In addition, Whiting-Turner makes no representation that these products comply with the design performance criteria outlined in the specifications. It is incumbent on the Owner to require the Architect to review and modify the specifications to comply with the performance criteria of accepted value engineering items.
- 17 This proposal is based on the understanding that the owner will employ several methods designed to mitigate the exposure of condominium related risk. These methods include:
- a Employing a forensic architect to review construction documents and provide construction phase inspections.
 - b Employing a consultant to review and coordinate the building skin components.
 - c Quarterly drawing and specification updates with the design team's cooperation to insure that the documents match the agreed-upon scope and field conditions.
 - d Maintaining a warranty/pay-off contingency to handle any lawsuits that may arise from the condominium association during the statute of limitations for the Maryland state warranties.

B CONCRETE

- 1 8" concrete curbs are included under masonry walls build above slabs but not footers.
- 2 Shop drawings prepared and stamped by a professional engineer is not included.
- 3 Proposal is based upon rebar placement as shown on the plans. Extra rebar for placement at "architect's discretion" is not included.
- 4 Proposal includes concrete finishing per industry standards, which in some cases may not conform with the specifications.
- 5 Curing compound has been provided at concrete decks. Penetrating sealers are not included at all concrete decks.
- 6 The composite floors will be constructed as shown on the plans which may or may not be "free of perceptible vibration" as specified.
- 7 The GMP includes change orders for undercutting and for lowering the elevator pit at elevator 1&2 of Block 5.

C MASONRY

- 1 All masonry-anchoring devices are priced as galvanized steel.
- 2 A colored mortar allowance of \$12.00 per bag is included.
- 3 Toothing at construction joints will be minimized.
- 4 Cavity space cleaning as described in the specification is not possible with the use of brick ties and is not included.
- 5 Parging as described in spec. section 04050, 3.4, G is not shown on any drawings and is not included.
- 6 Water repellent admixtures for mortar are included only where applicable, not as specified. The specifications call for "integral water repellent admixture for all mortar types used in conjunction with

Exhibit R
Rockville Town Square
Block 5 Garage GMP
Assumptions and Clarifications

exterior exposed concrete masonry units." This admixture is only appropriate with CMU that is manufactured with an integral water repellent like "Dry-block."

- 7 The grade N concrete bricks specified are no longer produced and are not included. Current industry standard concrete bricks are included.
- 8 Engineered drawings for cast stone will only include connections. PE certifications do not include fabrication, reinforcing, the mix design, or supervision of erection.
- 9 Architectural cast stone is included which conforms to ASTM C1364, ASTM C1194 for compressive strength, and ASTM C642 or C1195 for absorption.

D METALS

- 1 Corner guards are not included.
- 2 No window washing system is shown or included although it is referenced in the specification.

E CARPENTRY

- 1 Treated and fire retardant wood installation does not include the reapplication of chemical treatments after cutting or drilling as is described in the specifications.

F EXTERIOR SHEATHING

- 1 Silicone caulk, as specified for exterior sheathing, is not compatible with the vapor barrier. The EIFS installer will seal the sheathing joints as per the air barrier manufacturer's requirements.
- 2 The fasteners used for sheathing will comply with the manufacturer's recommendations.

G EIFS

- 1 Air Bloc-31 is not compatible for use with the EIFS, therefore a compatible vapor barrier is included to satisfy the warranty requirements from the EIFS manufacturer.
- 2 Rake copings shown as EIFS are not included. These copings will be metal to satisfy warranty requirements.
- 3 EIFS is not included on the rear sides of parapet walls. These walls are either covered with roofing materials or vinyl siding.
- 4 The EIFS foam is fastened with an adhesive and is expanded in lieu of extruded.
- 5 Metal coping is required to cover a minimum of 2 ½" down the vertical face of EIFS at sills, wall caps, etc. The installer will modify the details shown that do not comply.
- 6 Horizontal EIFS surfaces must slope. The installer will modify details shown that do not comply.
- 7 Caulking will comply with the EIFS manufacturer's requirements. Most caulking is not shown, is not specified clearly, or is in conflict with the EIFS requirements.
- 8 The manufacturer's standard mesh for above grade, low traffic applications is included.

H WATERPROOFING AND CAULKING

- 1 Spec section 07920 – Joint Sealants, section 2.2, A shall be modified to read as follows: "Façade sealants that show dirt at the time of substantial completion shall be cleaned ~~over the entire façade~~ prior to acceptance by the Owner. ~~10 months after final completion of the building, if the sealant joints show dirt, they shall again be cleaned over the entire façade~~".

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Exhibit R
Rockville Town Square
Block 5 Garage GMP
Assumptions and Clarifications

- 2 The manufacturer's standard materials are included which may not meet the VOC levels as specified.
- 3 Waterproofing systems and accessories are based upon industry standards. The specific systems are not shown on the plans and the subcontractor selected the details. The waterproofing systems included are as recommended by the installer and manufacturer. Whiting-Turner does not accept design liability for this work. It is assumed that the approval of submitted product data by the Architect and its consultants constitutes their acceptance of design liability for this work.

I DOORS AND HARDWARE

- 1 Hardware associated with a security system or automatic door operation is not shown nor included. Whiting-Turner will coordinate with the Owner's contractor for this work.
- 2 Spec section 08710 states, "six months after acceptance of hardware return to the project with a representative of the latch and lock manufacturer and re-adjust every item of hardware. Consult with and instruct Owner's personnel in recommended additions to the maintenance procedures. Clean and lubricate operational items wherever required and replace hardware items which have deteriorated or failed due to faulty design, materials, or installation." This requirement is not included.

J DRYWALL

- 1 Interior non-load bearing walls are framed with 25gauge studs.
- 2 Ceiling furring channels are 7/8", 20 gauge.
- 3 Flatstock blocking is included.
- 4 Drywall finishing includes a type 4 finish.

K FINISHES

- 1 Gypsum board partitions will not be airtight as specified.
- 2 Painting costs do not include the use of absolutely pure solvents as specified.
- 3 The specifications call for the painting of the following items. This painting is not included:
 - a inside of any ductwork
 - b diffusers, grilles, and registers that are typically pre-finished
 - c fire extinguisher cabinets
 - d electrical conduit, junction boxes, and outlet boxes
 - e mechanical equipment housings
 - f piping, ducts, hangers, and supports
 - g temperature control components
 - h telephone and electrical cabinets
 - i piping, tank, and ductwork insulation
- 4 A one-color garage painting scope is included.
- 5 All paints will be water based, as alkyd paints will not be available after December 31, 2004.

L SPECIALTIES

- 1 Stationary louvers with drainable blades are included.

Exhibit R
Rockville Town Square
Block 5 Garage GMP
Assumptions and Clarifications

M ELEVATORS

- 1 The elevator cabs include a standard interior. Cab upgrade allowance is not included. The upgrade allowance is \$48,000 for Block 5.
- 2 The elevator equipment included is manufactured by Kone.

N PLUMBING

- 1 A grid of approximately 60' x 60' for the under-slab drain as coordinated by ECS is included.
- 2 Piping and pipe insulation is included as per the value engineering discussions.
- 3 Sanitary risers are cast iron; run-outs and vents are PVC.
- 4 Underslab piping is PVC.
- 5 The pipe support and pipe penetration details shown on the drawings are not included. Proposal is based upon industry standard for residential construction.
- 6 No water treatment system is shown or included.

O HVAC

- 1 Register and grille locations are shown in schematic form. Exact locations will be determined by field conditions.
- 2 Duct cleaning and air handler cleaning are not included. The price includes changing the filters 1 time prior to turnover.

P FIRE SPRINKLERS

- 1 Sprinkler system is based on compliance with NFPA and local code requirements.
- 2 Commercial areas are schedule 10 and 40 black iron depending on pipe size.
- 3 A skid-mounted fire pump and motor is included with the controllers and jockey pump mounted separately.
- 4 The price includes the manufacturer's standard valves and fittings.
- 5 As reflected ceilings are not designed, "center of tile" pricing is not included for those areas that may have an acoustic tile ceiling. No such ceilings are currently shown or included.
- 6 Exposed hose valves, located in stair landings, are included.

Q ELECTRICAL

- 1 Security system is not specified or included.
- 2 Waxing of electrical equipment is not included as specified.
- 3 Electrical cabling is per code minimums.
- 4 A snow melting system is described in the specs, but is not shown on drawings nor included in pricing.

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EXHIBIT S
LITTLE MILLER ACT BOND FORM

1238459

S-1

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Exhibit S
Little Miller Act Bond Form

SAMPLE
CONTRACT PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: That we (1) _____
_____ and _____
a (2) _____ and a (2) _____
hereinafter call "Principal" and (3) _____
of _____, State of _____

hereinafter called the "Surety", are held and firmly bound unto (4) The Mayor and Council of Rockville, Maryland, hereinafter called "Owner", in the penal sum of _____ (\$ _____) in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that Whereas, the Principal entered into a certain contract with the Owner, dated the day of _____, 20____, a copy of which is hereto attached and made a part hereof for the service of: _____

NOW, THEREFORE, if the Principal shall well, truly and faithfully perform its duties, all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term thereof, and any extensions thereof which may be granted by the Owner, with or without notice to the Surety, and if he shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the Owner from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the Owner all outlay and expense which the Owner may incur in making good any default, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

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Exhibit S
Little Miller Act Bond Form

CONTRACT PERFORMANCE BOND

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PROVIDED, FURTHER, that no final settlement between the Owner and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IT WITNESS WHEREOF, this instrument is executed in two (2) counterparts, each one of which shall be deemed an original, this the day of _____, 20_____.

ATTEST

Principal

(Principal) Secretary

By _____(S)

(Address)

Witness as to Principal

(Address)

ATTEST:

Surety

By _____
Attorney-in-Fact

(Surety) Secretary

Witness as to Surety

(Address)

NOTE: Date of Bond must not be prior to date of Contract.

- (1) Correct name of Contractor
- (2) A Corporation, a Partnership or an Individual
- (3) Name of Surety
- (4) Name of Owner
- (5) If Contract is Partnership all partners should execute bond

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Exhibit S
Little Miller Act Bond Form

SAMPLE
CONTRACT PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: That we (1) _____
_____ a (2) _____
hereinafter called "Principal" and (3) _____
of _____, State of _____
hereinafter called the "Surety", are held and firmly bound unto (4) The
Mayor
and Council, of Rockville, Maryland, hereinafter called "Owner",
in the penal sum of _____ Dollars (\$_____) in lawful
money of the United States, for the payment of which sum well and truly
to be made, we bind ourselves, our heirs, executors, administrators and
successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that Whereas, the Principal
entered into a certain contract with the Owner, dated the
day of _____ 20_____, a copy of which is hereto attached and
made a part hereof for the construction of:

NOW, THEREFORE, if the Principal shall promptly make payment to all
persons, firms, subcontractors, and corporations furnishing materials
for or performing labor in the prosecution of the work provided for in
such contract, and any authorized extension or modification thereof,
including all amounts due for materials, lubricants, oil, gasoline,
coal, repairs on machinery, equipment and tools, consumed or used in
connection with the construction of such work, and all insurance
premiums on said work, and for all labor, performed in such work whether
by subcontractor or otherwise, then this obligation shall be void;
otherwise to remain in full force and effect.

PROVIDED, FURTHER, that the said surety, for value received hereby
stipulates and agrees that no change, extension of time, alteration or
addition to the terms of the contract or to the work to be performed
thereunder or the specifications accompanying the same shall in any way
affect its obligation on this bond, and it does hereby waive notice of
any such change, extension of time, alteration or addition to the terms
of the contract or to the work or to the specifications.

(over)

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Exhibit S
Little Miller Act Bond Form

CONTRACT PAYMENT BOND

PAGE 2

PROVIDED, FURTHER, that no final settlement between the Owner and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in two (2) counterparts, each one of which shall be deemed an original, this the day of _____ 20____.

ATTEST:

Principal

(Principal) Secretary

BY _____ (S)

(Address)

Witness as to Principal

(Address)

ATTEST:

Surety

By _____
Attorney-in-Fact

(Surety) Secretary

Witness as to Surety

(Address)

NOTE: Date of bond must not be prior to date of Contract

- (1) Correct name of Contractor
- (2) A Corporation, a Partnership or an Individual
- (3) Correct name of Surety
- (4) Correct name of Owner
- (5) If Contractor is a Partnership, all partners should execute the bond

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CARPENTERS LOCAL - Baltimore District - 801 W. Patapsco Avenue, Baltimore, MD (410) 355-5555

RATE EFFECTIVE: 04/01/2004
 NEXT REVISION: 04/01/2005
 CONTRACT EXPIRES: 03/31/2005

	GENERAL FOREMAN			FOREMAN			JOURNEYMAN		
	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.
H. & W.	3.30	0.00	0.00	3.30	0.00	0.00	3.30	0.00	0.00
PENSION	1.65	0.00	0.00	1.65	0.00	0.00	1.65	0.00	0.00
APPRENTICE/TRAINING	0.27	0.00	0.00	0.27	0.00	0.00	0.27	0.00	0.00
CIAP/LMC/ANNUITY	2.14	0.00	0.00	2.14	0.00	0.00	2.14	0.00	0.00
WORKMAN'S COMP. - MI	3.66	0.00	0.00	3.51	0.00	0.00	3.36	0.00	0.00
SOCIAL SECURITY	1.88	2.82	3.76	1.81	2.71	3.61	1.73	2.59	3.46
STATE UNEMPLOY.	1.60	2.40	3.20	1.53	2.30	3.07	1.47	2.20	2.94
FEDERAL UNEMPLOY.	0.20	0.30	0.39	0.19	0.28	0.38	0.18	0.27	0.36
BASE RATE	24.60	36.90	49.20	23.60	35.40	47.20	22.60	33.90	45.20
TOTAL WT COSTS	39.30	42.42	56.55	38.00	40.69	54.26	36.70	38.96	51.96

1. These rates are subject to change based on revisions to union agreements once the current union contract expires

CARPENTERS LOCAL - Baltimore District - 801 W. Patapsco Avenue, Baltimore, MD (410) 355-5555

RATE EFFECTIVE: 04/01/2004
 NEXT REVISION: 04/01/2005
 CONTRACT EXPIRES: 03/31/2005

CONCRETE WORK

	GENERAL FOREMAN			FOREMAN			JOURNEYMAN		
	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.
H. & W.	3.30	0.00	0.00	3.30	0.00	0.00	3.30	0.00	0.00
PENSION	1.65	0.00	0.00	1.65	0.00	0.00	1.65	0.00	0.00
APPRENTICE/TRAINING	0.27	0.00	0.00	0.27	0.00	0.00	0.27	0.00	0.00
CIAP/LMC/ANNUITY	2.14	0.00	0.00	2.14	0.00	0.00	2.14	0.00	0.00
WORKMAN'S COMP. - M	4.73	0.00	0.00	4.54	0.00	0.00	4.35	0.00	0.00
SOCIAL SECURITY	1.88	2.82	3.76	1.81	2.71	3.61	1.73	2.59	3.46
STATE UNEMPLOY.	1.60	2.40	3.20	1.53	2.30	3.07	1.47	2.20	2.94
FEDERAL UNEMPLOY.	0.20	0.30	0.39	0.19	0.28	0.38	0.18	0.27	0.36
BASE RATE	24.60	36.90	49.20	23.60	35.40	47.20	22.60	33.90	45.20
TOTAL WT COSTS	40.37	42.42	56.55	39.03	40.69	54.26	37.69	38.96	51.96

1. These rates are subject to change based on revisions to union agreements once the current union contract expires

CEMENT MASONS 4324 York Road Baltimore MD 21212 (410) 243-8255

RATE EFFECTIVE: 04/01/2004
 NEXT REVISION: 04/01/2005
 CONTRACT EXPIRES: 03/31/2005

	GENERAL FOREMAN			FOREMAN			JOURNEYMAN		
	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.
H. & W.	1.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00	0.00
PENSION	2.05	0.00	0.00	2.05	0.00	0.00	2.05	0.00	0.00
APPRENTICE	0.31	0.00	0.00	0.31	0.00	0.00	0.31	0.00	0.00
CIAP/LMC	0.14	0.00	0.00	0.14	0.00	0.00	0.14	0.00	0.00
ANNUITY	2.00	0.00	0.00	2.00	0.00	0.00	2.00	0.00	0.00
WORKMAN'S COMP. - MC	4.88	0.00	0.00	4.69	0.00	0.00	4.50	0.00	0.00
SOCIAL SECURITY	1.94	2.91	3.89	1.87	2.80	3.73	1.79	2.69	3.58
STATE UNEMPLOY.	1.65	2.48	3.30	1.59	2.38	3.17	1.52	2.28	3.04
FEDERAL UNEMPLOY.	0.20	0.30	0.41	0.20	0.29	0.39	0.19	0.28	0.37
BASE RATE	25.40	38.10	50.80	24.40	36.60	48.80	23.40	35.10	46.80
TOTAL WT COSTS	39.57	43.79	58.40	38.25	42.07	56.09	36.90	40.35	53.79

1. These rates are subject to change based on revisions to union agreements once the current union contract expires

IRONWORKERS 2008 Merritt Avenue Baltimore MD 21222 (410) 284-4750

RATE EFFECTIVE: 04/01/2004
 NEXT REVISION: 04/01/2005
 CONTRACT EXPIRES: 03/31/2005

	GENERAL FOREMAN			FOREMAN			JOURNEYMAN		
	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.
H. & W.	4.88	0.00	0.00	4.88	0.00	0.00	4.88	0.00	0.00
PENSION	3.84	0.00	0.00	3.84	0.00	0.00	3.84	0.00	0.00
APPR/IND/III	0.41	0.00	0.00	0.41	0.00	0.00	0.41	0.00	0.00
ANNUITY	3.00	0.00	0.00	3.00	0.00	0.00	3.00	0.00	0.00
WORKMAN'S COMP. - MI	9.99	0.00	0.00	9.82	0.00	0.00	9.30	0.00	0.00
SOCIAL SECURITY	2.20	3.30	4.41	2.16	3.25	4.33	2.05	3.08	4.10
STATE UNEMPLOY.	1.87	2.81	3.74	1.84	2.76	3.68	1.74	2.61	3.48
FEDERAL UNEMPLOY.	0.23	0.35	0.46	0.23	0.34	0.45	0.21	0.32	0.43
BASE RATE	28.80	43.20	57.60	28.30	42.45	56.60	26.80	40.20	53.60
TOTAL WT COSTS	55.22	49.66	66.21	54.48	48.80	65.06	52.23	46.21	61.61

1. These rates are subject to change based on revisions to union agreements once the current union contract expires

LABORERS DISTRICT COUNCIL - Harford Road, Baltimore MD (410) 323-2005

RATE EFFECTIVE: 04/01/2004
 NEXT REVISION: 04/01/2005
 CONTRACT EXPIRES: 03/31/2005

	FOREMAN			SKILLED			SEMI-SKILLED			CONSTRUCTION			GENERAL		
	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.
H. & W. PENSION TRAINING/LECET CIAP	2.05 0.75 0.43 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	2.05 0.75 0.28 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	2.05 0.75 0.28 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	2.05 0.75 0.28 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	2.05 0.75 0.28 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
WORKMAN'S COMP. - M: 9.62%	1.70	0.00	0.00	1.60	0.00	0.00	1.58	0.00	0.00	1.55	0.00	0.00	1.47	0.00	0.00
SOCIAL SECURITY 7.65%	1.35	2.03	2.70	1.27	1.91	2.55	1.28	1.89	2.52	1.24	1.85	2.47	1.17	1.76	2.34
STATE UNEMPLOY. 6.50%	1.15	1.72	2.29	1.08	1.62	2.16	1.07	1.60	2.14	1.05	1.57	2.10	0.99	1.49	1.99
FEDERAL UNEMPLOY. 0.80%	0.14	0.21	0.28	0.13	0.20	0.27	0.13	0.20	0.26	0.13	0.19	0.26	0.12	0.18	0.24
BASE RATE	17.65	29.48	35.30	16.65	24.98	33.30	16.45	24.68	32.90	16.15	24.23	32.30	15.30	22.95	30.60
TOTAL WT COSTS	25.34	30.44	40.57	23.93	28.71	38.28	23.69	28.37	37.82	23.32	27.84	37.13	22.25	26.38	35.17

1. These rates are subject to change based on revisions to union agreements once the current union contract expires

LABORERS LOCAL #194 & #516 - CONCRETE CONSTRUCTION

RATE EFFECTIVE 04/01/2003
 NEXT REVISION 04/01/2004
 CONTRACT EXPIRES 03/31/2005

NOTE: THIS SHEET REPRESENTS A HIGHER WORKMAN'S COMP RATE

	FOREMAN			SKILLED			SEMI-SKILLED			CONSTRUCTION			GENERAL		
	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.
H. & W. PENSION TRAINING/LECE CIAP	2.05 0.75 0.43 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	2.05 0.75 0.28 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	2.05 0.75 0.28 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	2.05 0.75 0.28 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	2.05 0.75 0.28 0.12	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
WORKMAN'S COMP.	3.39	0.00	0.00	3.20	0.00	0.00	3.16	0.00	0.00	3.11	0.00	0.00	2.94	0.00	0.00
SOCIAL SECURITY	1.35	2.03	2.70	1.27	1.91	2.55	1.26	1.89	2.52	1.24	1.85	2.47	1.17	1.76	2.34
STATE UNEMPLOY	1.15	1.72	2.29	1.08	1.62	2.16	1.07	1.60	2.14	1.05	1.57	2.10	0.99	1.49	1.99
FEDERAL UNEMPLOY	0.14	0.21	0.28	0.13	0.20	0.27	0.13	0.20	0.26	0.13	0.19	0.26	0.12	0.18	0.24
BASE RATE	17.65	26.48	35.30	16.65	24.98	33.30	16.45	24.68	32.90	16.15	24.23	32.30	15.30	22.85	30.60
TOTAL WT COSTS	27.03	30.44	40.57	25.53	28.71	38.28	25.27	28.37	37.82	24.88	27.84	37.13	23.72	26.38	35.17

1. These rates are subject to change based on revisions to union agreements once the current union contract expires

THE WHITING-TURNER CONTRACTING CO.

Rockville Town Square
Exhibit T
Craft Labor Rates

OPERATING ENGINEERS 5901 Harford Road Suite A, Baltimore, MD 21214 (410) 254-2030

OPERATOR'S RATE BELOW IS BASED ON EQUIPMENT BEING OPERATED

(SEE NEXT PAGE FOR OPERATORS WORKING WITH SPECIFIC CRAFTS - AGREEMENT HAS A "ME TO" CLAUSE
MEANING OPERATORS RECEIVE SAME PAY RATE AS A CRAFT WITH A HIGHER PAY RATE THAN OPERATORS)

RATE EFFECTIVE: 04/01/2004
NEXT REVISION: 04/01/2005
CONTRACT EXPIRES: 03/31/2005

	GROUP I			GROUP II			GROUP III		
	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.
Any type of Crane									
	4.50	0.00	0.00	4.50	0.00	0.00	4.50	0.00	0.00
	2.50	0.00	0.00	2.50	0.00	0.00	2.50	0.00	0.00
	0.52	0.00	0.00	0.52	0.00	0.00	0.52	0.00	0.00
	1.70	0.00	0.00	1.70	0.00	0.00	1.70	0.00	0.00
H. & W.									
PENSION	4.71	0.00	0.00	4.33	0.00	0.00	4.13	0.00	0.00
APPRENTICE/CIAP									
ANNUITY									
WORKMAN'S COMP.									
		19.23%							
SOCIAL SECURITY	1.87	2.81	3.75	1.72	2.58	3.44	1.64	2.47	3.29
STATE UNEMPLOY.	1.59	2.39	3.19	1.46	2.19	2.93	1.40	2.10	2.80
FEDERAL UNEMPLOY.	0.20	0.29	0.39	0.18	0.27	0.36	0.17	0.26	0.34
BASE RATE	24.50	36.75	49.00	22.50	33.75	45.00	21.50	32.25	43.00
TOTAL WT COSTS	42.09	42.24	56.33	39.41	38.79	51.73	38.06	37.08	49.43

1. These rates are subject to change based on revisions to union agreements once the current union contract expires

OPERATING ENGINEERS 5901 Harford Road Suite A, Baltimore, MD 21214 (410) 254-2030

RATE EFFECTIVE: 04/01/2004
 NEXT REVISION: 04/01/2005
 CONTRACT EXPIRES: 03/31/2005

WORKMAN'S COMP DOLLAR AMOUNT HAS BEEN CHANGED TO REFLECT THE APPLICABLE CRAFT

	34.70%			9.95%			47.78%		
	WITH IRONWORKER			WITH STEAMFITTER			WITH BOILERMAKER		
	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.
H. & W.	4.25	0.00	0.00	4.25	0.00	0.00	4.25	0.00	0.00
PENSION	2.50	0.00	0.00	2.50	0.00	0.00	2.50	0.00	0.00
APPRENTICE/CIAP	0.52	0.00	0.00	0.52	0.00	0.00	0.52	0.00	0.00
ANNUITY	1.70	0.00	0.00	1.70	0.00	0.00	1.70	0.00	0.00
WORKMAN'S COMP.	9.30	0.00	0.00	2.90	0.00	0.00	15.36	0.00	0.00
SOCIAL SECURITY	2.05	3.08	4.10	2.23	3.35	4.46	2.46	3.69	4.92
STATE UNEMPLOY.	1.74	2.61	3.48	1.89	2.84	3.79	2.09	3.13	4.18
FEDERAL UNEMPLOY.	0.21	0.32	0.43	0.23	0.35	0.47	0.26	0.39	0.51
BASE RATE	26.80	40.20	53.60	29.15	43.73	58.30	32.15	48.23	64.30
TOTAL WT COSTS	49.07	46.21	61.61	45.37	50.27	67.02	61.29	55.44	73.91

1. These rates are subject to change based on revisions to union agreements once the current union contract expires

TEAMSTERS LOCAL #311

RATE EFFECTIVE: 06/01/2003
 NEXT REVISION: 06/01/2004
 CONTRACT EXPIRES: 05/31/2004

	TRACTOR/TRAILER			PICKUP/FLATBED			FORKLIFT		
	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.	S.T.	O.T.	D.T.
H. & W. PENSION	3.35 3.00	0.00 0.00	0.00 0.00	3.35 3.00	0.00 0.00	0.00 0.00	3.35 3.00	0.00 0.00	0.00 0.00
WORKMAN'S COMP. 8.09%	1.86	0.00	0.00	1.70	0.00	0.00	1.84	0.00	0.00
SOCIAL SECURITY 7.65%	1.76	2.64	3.52	1.61	2.42	3.22	1.74	2.60	3.47
STATE UNEMPLOY. 6.50%	1.50	2.24	2.99	1.37	2.05	2.74	1.48	2.21	2.95
FEDERAL UNEMPLOY. 0.80%	0.18	0.28	0.37	0.17	0.25	0.34	0.18	0.27	0.36
BASE RATE	23.00	34.50	46.00	21.05	31.58	42.10	22.70	34.05	45.40
TOTAL WT COSTS	34.65	39.66	52.88	32.25	36.30	48.40	34.29	39.13	52.18

1. These rates are subject to change based on revisions to union agreements once the current union contract expires

Rockville Town Square
Exhibit U
Insurance and Bond Rates

Payment and Performance Bond:

The rate charged for the payment and performance bond is 0.785% of the contract value. Once the bond is obtained, there are no reductions to the total bond cost based on deductive changes to the contract sum.

General Liability Insurance:

The rate charged for general liability insurance is 0.7% of the contract value based on the contractor providing insurance. If an Owner Controlled Insurance Program is implemented, the rate will reduce to 0.2%. This reduced rate is for insurance coverage that the contractor is required to maintain under a standard OCIP program.

Builder's Risk Insurance:

The rate charged for builder's risk insurance is 0.3% of the contract value subject to deductibles (\$25,000) as provided in the policy.

Mark-Up on Changes to the GMP:

The same insurance and bond rates as indicated above will apply to additive changes to the original scope of the project. For deductive scope changes to the work there will be no adjustment for insurance and bonds made to the contract amount.

Rockville Town Square
Exhibit V
Staff Labor Rates

	Description	Burdened Rate	Cell Phones	Vehicles	Computer Rntl/Supt	Subsistence	Total Rate Year 2005
General Project Management:							
1	A. Linden - Sr. PM	\$ 73.60	\$ 0.38	\$ 6.07	\$ 2.23	\$ 4.47	\$ 86.80
2	B. Driscoll - Sr. Supt.	\$ 85.22	\$ 0.38	\$ 6.07	\$ 2.23	\$ 4.47	\$ 98.40
3	T. Border - PM Site/Garage	\$ 73.60	\$ 0.38	\$ 6.07	\$ 2.23	\$ 4.47	\$ 86.80
4	T. Poindexter - PM Res.	\$ 55.46	\$ 0.38	\$ 6.07	\$ 2.23	\$ 4.47	\$ 68.70
5	B. Hildreth - Supt. Res.	\$ 79.75	\$ 0.38	\$ 6.07	\$ 2.23	\$ 4.47	\$ 90.70
8	Schedule Manager	\$ 36.01	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 45.40
9	D. Evans - Secretary	\$ 28.81	-	-	\$ 2.23	\$ 6.71	\$ 37.80
10	L. Bennett - Acct.	\$ 23.05	-	-	\$ 2.23	\$ 4.47	\$ 29.80
Block 5/4 Team:							
11	M. Evans - PM	\$ 48.98	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 58.30
12	E. Crawford - PE	\$ 30.25	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 39.60
13	J. Mays - PE	\$ 30.97	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 40.30
15	Bob Hortie - Supt.	\$ 52.22	\$ 0.38	\$ 6.07	-	\$ 4.47	\$ 63.20
16	Worthington - FE	\$ 32.41	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 41.80
17	Assistant Superintendent	\$ 36.01	\$ 0.38	-	-	\$ 6.71	\$ 43.10
Block 1/2 Team:							
18	A. Haubert - PM	\$ 48.98	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 58.30
19	K. Gorance - PE	\$ 31.69	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 41.00
20	J. Nelson - PE	\$ 42.50	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 51.90
22	J. Wiegand - Supt.	\$ 49.34	\$ 0.38	\$ 6.07	-	\$ 4.47	\$ 60.30
23	Frith - FE	\$ 38.89	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 48.30
24	Assistant Superintendent	\$ 36.01	\$ 0.38	-	-	\$ 6.71	\$ 43.10
Block 3B & 3A Team:							
25	N. Shugars - APM	\$ 39.97	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 49.30
26	B. Nagey - PE	\$ 31.69	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 41.00
28	Pumphrey - Supt.	\$ 46.82	\$ 0.38	\$ 6.07	\$ 2.23	\$ 4.47	\$ 60.00
Sitework Team:							
29	S. Wilhelm - APM	\$ 39.97	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 49.30
30	J. Dremel - PE	\$ 33.13	\$ 0.38	-	\$ 2.23	\$ 6.71	\$ 42.50
31	M. Nogle - Supt.	\$ 51.14	\$ 0.38	\$ 6.07	\$ 2.23	\$ 4.47	\$ 64.30

1. Rates will be billed based on a 40 hour work week 52 weeks per year. There will be no additional charges for overtime. Whiting-Turner compensates salaried employees for overtime through the use of project bonuses based on individual merit as determined by Whiting-Turner, and upon review with Owner.
2. Hourly rates are subject to change on an annual basis based on salary increases. Confidential salary information will be provided to the Owner for review and approval.
3. If the OCIP is implemented, worker's compensation will be deducted from the hourly rates accordingly.

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MAYOR AND COUNCIL WORKSESSION

ATTACHMENT 3

NO. DEPT.: Community Planning and Development Services DATE: December 13, 2004
CONTACT: Arthur D. Chambers, AICP, Director

SUBJECT FOR DISCUSSION:

Town Center Parking Garages

ORDER OF DISCUSSION:

1. Construction Contract
2. Value Engineering/355 Façade/"Smart Garage"
3. Budget
4. Financing
5. Next Steps

The purpose of this item is to brief the Mayor and Council on several aspects of the public garage construction for the Town Square project. Those items include the construction contract, budget, financing and future actions. In addition, the Mayor and Council will need to provide direction on two items that will affect the cost of the garages.

Decision Items/Recommendation

1. Include upgraded façade on 355 in Block 4.
2. Determine if "Smart Garage" technology should be included.
3. Authorize (on January 10) excavation and concrete and steel for Block 1/2.
4. Authorize (on January 10) excavation of Block 4 garage.
5. Authorize (on January 10) the City Manager to issue "notice to proceed" when GMPs are finalized.

Construction Contract

As provided in the General Development Agreement (GDA), the City and RD Rockville Garage LLC (RDRG) will be entering into a contract to build the three public garages in the Town Square Project. RDRG will have a contract with The Whiting -Turner Contracting Company who will do the actual construction. RDRG will manage Whiting-Turner for the City. This is the same procedure being used for the design of the garages utilized with RDRG and WDG Architecture and what is being used for the construction of public improvements with FRIT and Whiting-Turner.

The contract with RDRG is basically a design build contract between the Mayor and Council and RDRG. A memorandum from Dan China (an attorney with Venable) is attached that provides a summary of the main points of the contract. The cost of the garages will be determined by a "Guaranteed Maximum Price" (GMP) that is being negotiated as part of a contract between RDRG and Whiting-Turner. RDRG's fee will be a fixed fee as compared to a percent of construction.

Final language for the contract is still being prepared. The largest issue is the finalization of



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the contract between RDRG and Whiting-Turner. Once that contract is finished, the City will need to review it to insure it conforms to processes, schedules, etc. Other items include consistency between sections of the contract, insurance provisions and other minor wording changes. The contract will be scheduled for Mayor and Council action on January 10, 2005. The work currently underway on Block 5 and Block 1/2 will continue under prior Mayor and Council authorization in March and July of 2004. It is also anticipated that final GMP's based on 100% construction documents for all garages will not be completed for the January 10 Mayor and Council meeting. See the discussion under Garage Budget regarding the GMP's. If the GMP's are not finalized a "notice to proceed" will be issued for only a portion of the construction.

Value Engineering

When the revised estimates were prepared in June, the costs of the garages increased significantly primarily due to increases in material costs, design revisions, and more complete plans. At that time, the architects, City staff, Whiting-Turner, FRIT and RDRG reviewed the estimates and plans to determine what items could be eliminated or revised to reduce costs. Based on that review and analysis, it was determined that wheel stops, the brick on the north façade of Block 1/2, and a few other items could be eliminated without affecting the quality of the garages. Other items such as wearing surfaces, corner guards, increasing the height of the garage (in order to eliminate the below grade spaces), were considered but not approved for deletion. It was felt that deleting these items would have negatively affected the quality of the garages.

One item that still needs to be discussed is the MD355 façade for the Block 4 garage. The current budget includes an allowance for the façade presented by WDG last year during the PDP and use permit approvals. If that façade was revised to basic concrete spandrels, approximately \$400,000 could be saved during construction. The Mayor and Council will need to provide direction on whether to include the upgraded façade. Staff would recommend that an upgraded façade be included provided that overall construction costs can be reduced to the point where projected revenues can cover the projected debt.

Another item that has been discussed, but not included in any budgets or estimates is "Smart Garage" technology. The "Smart Garage" technology gives motorists more detailed information about where vacant spaces are located. That helps eliminate the frustration of searching on levels that are full. The system is based on electronically identifying what spaces are available and displaying that information just outside the garage entrance. This technology is being used at BWI and other airports. Whiting-Turner has provided an estimate of \$679,000 to provide "Smart Garage" technology for all three public garages. Information from Whiting-Turner and an article on "Smart Garage" technology is attached. The cost for Block 4 garage would be \$447,300. The Mayor and Council will need to determine if the benefits of this technology are sufficient.

Garage Budget

A copy of the latest budget for the three garages is included as attachment 3. The budget compares the most current budget (\$51,419,433) to the bonding budget (\$45,517,899) prepared in March 2004. The bonding budget was discussed with the Mayor and Council in April 2004. It was then presented to the rating agencies in May. There have been several other construction budgets prepared based on designs at various percentages of completion. In order to provide a constant basis of comparison, the bonding budget was selected. The attached budget includes construction and soft costs for each of the three garages. It also includes budgets for land, consultants, legal, etc. The table below shows the hard costs for the three garages, along with the number of spaces per garage.

	Blk 1/2	Blk 4	Blk 5	Total
Bonding Budget				
Construction only	\$6,272,000	\$12,529,000	\$4,882,000	\$23,683,000
Current Budget				
Construction only	\$8,539,000	\$15,065,000	\$7,840,000	\$431,444,000
Number of spaces				
Public	225	639	122	986
Rental/Condo	<u>324</u>	<u>250</u>	<u>154</u>	<u>728</u>
Total	649	889	276	1,714
# of Levels	7	7	2	N/A

In comparing the current budget to the bonding budget, there have been significant increases to the costs. Those costs can primarily be attributed to the following:

- Cost of steel and concrete has drastically risen.
- Cost of dumping excess spoil has risen due to distance required to haul and rising fuel costs.
- Refining costs between schematic design, development design, and construction documents due to greater detail and information. Specifically, electrical and mechanical designs being finalized.
- Addition of parking meters not being carried by general contractor in the SD budget; this cost was then added in the DD budget as an allowance.
- Requirement to redesign Block 5 garage in regard to Foulger-Pratt easements.
- Additional sheeting and shoring required on north face of Block 5 due to delayed closing of Block 5.
- Additional cost allowance for deep foundations in Block 4.

It should be noted that in the "sources of funds" section, the current budget shows a \$15,098,306 amount for the condominium parking reimbursement. City staff and RD Rockville are still negotiating the exact amount of this item. Additional information should be available at the worksession. The private developer contribution of \$4.2m was established in the GDA.

For Block 5 the cost is based upon 100% construction documents. The number shown (\$8,806,250 [see attachment 3], includes hard and soft costs) is almost finalized for the Guaranteed Maximum Price (GMP). The final review of the bids is underway and the GMP is to be finalized by December 16, 2004. The excavation was approved by the Mayor and Council in early July as part of the public improvements contract. The Mayor and Council authorized the purchase and installation of the concrete and steel for the Block 5 garage in August.

In Block 1/2 the cost shown is based upon schematic design or 50% construction documents. That means that most of the design is completed. However, there are still some details that are being finalized. As a result, there are more allowances than actual bids. Other than the excavation work, concrete and steel, a notice to proceed will not be issued until the plans are farther along and a GMP can be issued by RDRG. That GMP, based on 75% construction drawings, is anticipated in mid-January.

The Block 4 garage is a little farther behind because of the City's inability to obtain geotechnical information on the office townhouse property prior to acquisition. However, based on preliminary analysis it appears that "deep foundations" will be needed. This item is being reviewed by the architects and structural engineers. Because the design of this garage is behind the others, the construction cost estimates (which includes a \$1.8m allowance for deep foundations) are based on a schematic design or 50% construction documents. As with Block 1/2, there are more allowances than actual bids. A GMP based on 75% construction documents is anticipated in mid-January.

Financing

PFM, the City's financial advisors, were asked to compute the annual debt service payment for the garages, based upon revised assumptions about capital development costs, number of spaces, opening dates, and operating revenue and expenses. They prepared information for two scenarios, one with the current mixture of apartment and condominium units and one with all residential units as condominiums. (The condominium units pay for their related parking spaces during the construction process, which decreases the City's borrowing amount, while the apartment units pay a monthly lease cost for their spaces.) Their analysis indicates that the all condominium option results in a moderate gap between cumulative revenue and expenses between FY 2006 and FY 2015. The largest annual gap that would have to be funded through the general tax levy would be approximately \$135,000 in FY 2011; by FY 2013, estimated parking related revenues would cover all expenses and debt service costs. This level of tax supported funding is similar to that required in their earlier analysis for the bond rating agencies. The attached pro formas used the same assumptions that were used for the bonding budget. Those assumptions included charging on evenings and weekends, usage rates, parking fines, meter revenues, etc. Other assumptions about the financing are part of attachment 4. The option based on a mix of apartments and condominiums results in extremely large annual revenue gaps; by FY 2015 the cumulative gap is nearly \$6 million and the annual amount is approximately \$550,000. The current projections are preliminary but can be viewed as substantially correct, barring any significant unexpected changes to market interest rates between now and when the debt is issued. In addition, the appropriate breakdown between taxable and tax-exempt debt is still under review. The projected total debt associated with the garages is estimated at \$36.6 million for the condominium option and \$48 million if a mix of apartments and condominiums is constructed.

Next Steps

As indicated above, the construction contract is being scheduled for action by the Mayor and Council on January 10, 2005. It is anticipated that a final GMP, based on 100% construction drawings, will be completed by that date for Block 5. At that time, the City would issue a "notice to proceed" on the Block 5 garage. GMP's based on 100% construction drawings for Blocks 1/2 and 5 will not be completed by mid January. Therefore, staff would recommend that approval of the contract will also include "GMP's" based on budgets derived from 50% and 75% drawings.

The Mayor and Council would authorize the excavation, concrete and steel for the Block 1/2 garage; and the excavation for the Block 4 garage. In addition, the Mayor and Council would authorize the City Manager to issue a full "notice to proceed" for the balance of the construction provided that the final GMP based on 100% drawings is less than the "budget GMP's."

LIST OF ATTACHMENTS:

1. Memorandum from Daniel W. China, Venable LLP.
 2. Memorandum from RD Rockville, LLC. Re: "Smart Garage."
 3. Working Budget – Parking Garages, Rockville Town Square.
 4. Rockville Town Center Parking, Pro Formas.
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Memorandum

TO:
Art Chambers

FROM:
Daniel W. China

CC:
Paul Glasgow

RE:
Rockville Town Center Project - Brief Summary of Public Garages Contract Between Mayor and Council of Rockville and R.D. Rockville Garage, LLC for Staff Report

DATE:
December 7, 2004

Art -

Pursuant to your request, I am forwarding the following brief summary of the key features of the contract, in its draft form as of this date, between the Mayor and Council of Rockville and R.D. Rockville Garage, LLC, for construction of the Public Garages at the Rockville Town Center ("the Contract"). R.D. Rockville Garage, LLC is a separate entity established by R.D. Rockville, LLC for the purpose of the construction of the public garages. The Contract and R.D. Rockville Garage, LLC's contract with its general contractor, upon which the Contract is based, are still being negotiated and may be subject to change.

- Contract Form - The Contract is a design/build contract between the Mayor and Council of Rockville and R.D. Rockville Garage, LLC for the design and construction of three public parking garages to be owned by the City of Rockville. The Contract is a heavily modified AIA A191 - Part 2 Agreement (1996 Edition), which is a standard form agreement created by the American Institute of Architects for use between owners and design/builders. The Contract includes the following exhibits: 1) Construction Schedule; 2) Payment and Performance Bonds; 3) Third Party Beneficiary Language to be inserted in R.D. Rockville Garage, LLC's contract with its general contractor making the City of Rockville a third party beneficiary of that contract; and 4) a heavily modified AIA A111 and AIA A201 form contract (which is a standard form of agreement created by the American Institute of Architects for use by owners and general contractors and related General Conditions for that contract) between R.D. Rockville Garage, LLC and its general contractor.

- Project – The three public parking garages will be located on parcels owned by the City and known as Blocks 1/2, 4 and 5 of the Rockville Town Center Project. The Block 1/2 garage will contain 537 parking spaces, the Block 4 garage will contain approximately 1,048 parking spaces, and the Block 5 garage will contain approximately 281 parking spaces. The garages are poured in place and precast concrete constructed in accordance with plans and specifications prepared by R.D. Rockville Garage, LLC, and its retained design professionals, under the Part 1 Agreement that was entered into earlier this year between the Mayor and Council of Rockville and R.D. Rockville Garage, LLC.
- Timing – A schedule that conforms with the GDA schedule is still to be finalized and construction will commence upon a notice to proceed being issued. A liquidated damages provision for late completion is also being negotiated.
- Cost – The Project costs will include: 1) the cost of the work subject to the Guaranteed Maximum Price ("GMP") in the construction contract being negotiated between R. D. Rockville, LLC and its general contractor, plus 2) a fee of \$1,544,000.00 based on earlier estimated hard and soft costs for the Project, plus 3) reimbursable expenses of R. D. Rockville Garage, LLC. Although the amount of the GMP is still being negotiated, under the current draft of the Contract if there are any savings under the GMP, 70 % of those savings will be paid to the City of Rockville, with 30% to be paid to the general contractor. Payments will be applied monthly based upon work actually performed and payments are to be made within fifteen (15) business days.

In a job of this size, it is quite likely that there will be proposed changes to the Contract, including possible increases to the GMP, for changes resulting from, by way of example only, changes to the scope of the work or unforeseen conditions. The Contract includes a detailed procedure to address such changes to the Contract.

- Retainage – The City of Rockville shall be entitled to withhold 10% retainage of the cost of the work for each garage until substantial completion on each garage, then reduced to 2.5% of the cost of the work or 200% of the value of any remaining work on each garage, whichever is greater, in order to ensure final completion
- Risk Assessment – R. D. Rockville Garage, LLC is not acting as a design/builder in the traditional sense in that it is not assuming liability for the errors of its general contractor. The City of Rockville's recourse for any failures of R. D. Rockville, LLC's general contractor will be against the general contractor as a third party beneficiary of that contract and and/or against any available insurance or performance bonds, as applicable. In that regard, the City will be made a third party beneficiary of the contract between R. D. Rockville Garage, LLC and its general contractor so that the City of Rockville, if necessary, will have a basis for proceeding directly against R. D. Rockville Garage, LLC's general contractor. Further, the City of Rockville is to be named as an additional insured on insurance obtained and an obligee on bonds obtained for the Project. R. D. Rockville Garage, LLC will be liable for its own negligence.

- Insurance - Among the insurance R. D. Rockville Garage, LLC is required to provide for the Project is the following:

- 1. Worker's Compensation - \$500,000 bodily injury per accident
- 2. General Contractor Liability - \$1,000,000 each occurrence – bodily injury and property damage; - \$2,000,000 general aggregate; - \$2,000,000 products and completed operations, personal injury aggregate
- 3. Automobile - \$1,000,000
- 4. Umbrella Excess Liability - \$5,000,000 combined single limit and aggregate
- 5. Property Insurance – Builder's Risk "All Risk" or Equivalent - \$155,335,310 (covers all garages, retail and residential construction)

- Payment and Performance Bonds – Will be supplied by R. D. Rockville's general contractor.
- Dispute Resolution – Will be through Judicial Arbitration Mediation Services.
- Termination – There are Termination for Cause and Termination for Convenience provisions in the Contract.

If you need any additional information, please let Paul or me know. Thank you.

Dan China

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